श्री सभापति: यह अलग से प्रश्न है।

श्री जगमोहन: सर, इसमें एक्ट में प्रोवीजन है- "within 100 metres of it, no construction can come and within another 200 metres, it can come with the permission of the Director General of Archaeology." That is one point. It is a regulated development so that if there is a monument or an ancient site, it should not be intruded upon by a wrong type of construction and its ambience should not be destroyed.

Effect of GAAP Method on Indian Companies

*224. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether Indian companies listed on the US bourses are likely to be adversely impacted under the Generally Accepted Accounting Principles (GAAP) accounting method in relation to Employee Stock Option Plans;

(b) the extent to which GAAP is different from the prevailing Indian corporate accounting norms in terms of recording Employee Stock Ownership Plans transactions;

(c) whether recently the financial tally of the ICICI Bank in US was found to be adversely affected by the GAAP system, although it recorded profits in Indian operations; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) to (d) A Statement is placed on the Table of the House.

Statement

(a) and (b) Companies listed in the US can follow one of the two pronouncements prescribed under the US GAAP Accounting for ESOPs., *viz* Intrinsic Value method or Fair Value method. Indian companies, presently following the Intrinsic Value method of Accounting for ESOPs, if required to follow the Fair Value method in the US may be adversely affected. As per the SEBI, ESOP guidelines 1999, an option to follow either the Intrinsic Value method or the Fair Value method is open to Indian Companies.

(c) and (d) There are technical differences in the basis of accounting between the US GAAP and India GAAP. Therefore, the financial statements under the US GAAP and Indian GAAP for ICICI bank are not comparable.

SHRIMATI BIMBA RAIKAR: Sir, I would like to know from the Government whether the United States Government gives any protection to the Indian companies operating in the United States, as India gives privileged protection to overseas corporate bodies from Mauritius like Double Taxation Avoidance Treaty, etc.

SHRI JASWANT SINGH: Sir, I think there is a certain degree of—how should I put it—misconception about preferential treatment. Whatever Mauritius has got does not even arise out of this question. But since the hon. Member has asked about it, I would like to clarify that whatever is done by that treaty between Mauritius and the Republic of India is on account of a treaty obligation. It is a mutual treaty. There is no question of granting any preferential treatment to the US companies which operate in India. They operate as per the laws of the country, as Indian companies operate in the United States as per the laws of that country.

SHRIMATI BIMBA RAIKAR: Sir, recently, there was a big panic in Mumbai and Gujarat among the ICICI depositors. The people felt that the bank is in danger. The ICICI operations in the USA are already showing losses. I would like to know the real position of the ICICI Bank in India. Please give me the details.

SHRI JASWANT SINGH: Sir, firstly, on this question of run on a bank, I would like to say that it was spread entirely on account of panic. The ICICI is one of our premier banks and is one of the most successful private banks in the country. It is operating successfully, and is a reputed organisation in the country. So far as the question of its showing losses in the United States of America is concerned, I would like to clarify that when it comes to the issuance of certain ADRs in the United States under an obligation of US laws, which is GAAP, is really too technical a matter for the hon. Member to be much concerned about. On those technicalities, the accountancy, sometimes, shows purely a technical loss and purely a technical profit. The ICICI Bank is, Sir, a reputed bank which is doing extremely well, and there is no question of any worry on that bank's future.